Supreme Court, U.S.
FILED
MAR 23 2016
OFFICE OF THE CLERK

No. 15-866

IN THE

Supreme Court of the United States

STAR ATHLETICA, L.L.C., *Petitioner*,
v.

VARSITY BRANDS, INC., VARSITY SPIRIT CORPORATION, AND VARSITY SPIRIT FASHIONS & SUPPLIES, INC., *Respondents*.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Sixth Circuit

REPLY BRIEF FOR PETITIONER

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REPLY BRIEF

It is undisputed that a garment is a "useful article" that cannot be copyrighted under 17 U.S.C. § 101. It is also beyond dispute that the circuits are in disarray over how to determine when a useful article's component parts are considered part of the article itself, or are instead capable of existing independently of the article's utilitarian aspects. As explained in the Petition and the briefs of the *amici*, the Sixth Circuit's decision exacerbates this circuit split; conflicts directly with *Galiano* v. *Harrah's Operating Co.*, 416 F.3d 411 (5th Cir. 2005), and *Jovani Fashion, Ltd.* v. *Fiesta Fashions*, 500 F. App'x 42 (2d Cir. 2012); contravenes Congress's persistent rejection of copyright protection for garment designs; and has significant implications for consumers, the business community at large, and the apparel industry in particular.

Varsity does not directly contest any of these points. Instead, Varsity now argues that its pictures and sketches are protectable fabric designs—not unprotectable garment designs—which do not implicate separability at all. But every judge who has addressed this case, including the panel majority, reached the opposite conclusion. App. 42a, 53a–54a, 75a. Indeed, if Varsity is right, the panel majority's lengthy separability analysis was unnecessary and meaningless. So was Varsity's Sixth Circuit briefing, which devoted more than 30 pages to the relative merits of the various separability tests and their application to this case.

Varsity's new "fabric design" argument as the answer to the split between the panel majority's decision and the Fifth Circuit's *Galiano* opinion is debunked by a comparison of the garment designs in

both cases. The casino-uniform designs in *Galiano* were also two-dimensional sketches depicting three-dimensional uniforms. And like Varsity, the plaintiff in *Galiano* sought to prevent the defendant from making the three-dimensional uniforms that appeared in her sketches. Like Varsity's cheerleader-uniform designs, the *Galiano* casino-uniform designs used blocks of color and stripes to provide a distinctive appearance. There is no real dispute that the Fifth and Sixth Circuits reached opposite conclusions on identical issues—because these Circuits apply different separability tests.

The Sixth Circuit compounded its error by granting extra-statutory deference under *Skidmore* v. *Swift & Co.*, 323 U.S. 134 (1944), to the Copyright Office's registration decisions, concluding that courts should defer to the Office's decisions in addition to the statutory presumption of validity. Varsity says the Sixth Circuit's approach is not unprecedented, but cannot identify a single instance where another court has granted *Skidmore* deference to a decision to register a copyright.

In sum, this case is an ideal vehicle to address an issue that has confounded the lower courts, experienced copyright practitioners, and the business community, to the detriment of innovation and competition. See Br. of Public Knowledge, et al. 4, 5; Br. of Formlabs Inc., et al. 1, 4. Certiorari is warranted.

I. The Court's review is warranted to resolve the multiplicity of separability analyses that detract from a national standard for copyrights.

It is difficult to take seriously Varsity's mantra that this case does not implicate a circuit split. The Sixth Circuit recognized that courts have "struggled mightily" to formulate a test for separability. Pet. 29a. Other circuits have repeatedly observed that courts "have twisted themselves in knots trying to create a test to effectively ascertain whether the artistic aspects of a useful article can be identified separately from and exist independently of the article's utilitarian function." *Masquerade Novelty, Inc.* v. *Unique Indus., Inc.*, 912 F.2d 663, 670 (3d Cir. 1990); see *Inhale, Inc.* v. *Starbuzz Tobacco, Inc.*, 755 F.3d 1038, 1041 n.2 (9th Cir. 2014); *Universal Furniture Int'l, Inc.* v. *Collezione Europa USA, Inc.*, 618 F.3d 417, 431 (4th Cir. 2010); *Galiano*, 416 F.3d at 417. See also *Pivot Point Int'l, Inc.* v. *Charlene Prods., Inc.*, 372 F.3d 913, 921 (7th Cir. 2004). That confusion has led to the proliferation of tests identified in the Petition and Sixth Circuit opinion.

Varsity cannot (and does not) deny that this confusion has led to entrenched inter- and intra-circuit splits on the appropriate separability test. The Second Circuit has applied three or four tests. Pet. 21–23 (the primary-subsidiary approach, the objectively necessary approach, the design-process approach, and something like the ordinary-observer approach). The Seventh Circuit has adopted the design-process approach. Pet. 22. Though that circuit believed that its formulation reconciled the various separability tests, no other circuit has adopted its approach. The Fifth Circuit expressly rejected the

Seventh Circuit's approach and adopted the likelihood-of-marketability standard for garment designs. *Galiano*, 416 F.3d at 421. The Second, Fourth, Sixth, and Ninth Circuits have forgone the design-process approach altogether, or applied it in conjunction with other tests. *Jovani*, 500 F. App'x at 44; *Universal Furniture*, 618 F.3d 434–35; App. 37a, 40a–41a (rejecting the design-process approach in part and the likelihood-of-marketability approach in its entirety); *Inhale*, 755 F.3d at 1041–42 (applying something like the Copyright Office's approach).

As the *amici* explain, rampant confusion—over what is protectable by copyright and what is utilitarian—reduces competition and stifles innovation, contrary to the public's interest. Public Knowledge Br. 4, 5; Formlabs Br. 1, 4. The existence of 10 competing tests for conceptual separability creates a situation where "both practitioners steeped in the law and [the] legally unsophisticated . . . cannot reliably identify which parts of a [useful article] might be protected by copyright." Formlabs Br. 10. Despite Congress's intent to provide a uniform national standard for copyrights, the multiplicity of separability tests creates differing protections depending on the circuit where the litigation is pending. Thus, the array of tests not only confuses courts, it also creates uncertainty in the marketplace, especially in developing markets such as three-dimensional printing.

For these reasons, review is warranted.

II. The Sixth Circuit's decision also deserves review because it creates a circuit split on when garment designs are protected by copyright.

It cannot be said that application of these various tests leads to the same result. Here, the district court applied the hybrid approach from *Jovani* and the likelihood-of-marketability test from *Galiano* to conclude that copyright did not protect Varsity's cheerleading-uniform designs. App. 72a–75a. As demonstrated below, application of the Fifth Circuit's analysis in *Galiano* leads inexorably to the conclusion that Varsity's uniform designs are not protectable, which is compatible with settled Copyright Office policy. Registrability of Costume Designs, 56 Fed. Reg. 56,530, 56,530 (Nov. 5, 1991). In contrast, the newly minted "Sixth Circuit Approach" resulted in a contrary conclusion, creating a circuit split over whether uniform designs (as opposed to the artwork depicting such apparel) can be copyrighted. This exacerbates the confusion caused by the multiplicity of separability analyses in the garment industry, where the Sixth Circuit's analysis accomplishes by diktat what Congress has refused to do for more than a century. Pet. 30–31.

Implicitly conceding the existence of a circuit split that requires this Court's resolution, Varsity says that this case is merely about fabric design. Not so.

Varsity enlists its fabric-design strawman to distinguish *Galiano* and *Jovani*.[1] But Varsity's designs are not fabric designs. Fabric designs are designs printed once or repeatedly on fabric which is then used to make dresses and other garments, cover upholstery, etc. 56 Fed. Reg. at 56,530. When one goes to a fabric store and purchases a bolt of material with a pattern on it, *that* is a fabric design; Varsity's designs are not designs printed on fabric which is then incorporated into its cheerleading uniforms.[2] Varsity's designs are of actual cheerleading uniforms.

Despite repeatedly asserting its designs are fabric designs, Varsity fails to identify any case or Copyright Office publication characterizing sketches and pictures *of garments* as fabric designs. To the contrary, the most analogous cases, *Galiano* and *Jovani*, hold that copyrights in sketches and pictures of garments do not extend protection to the garment depicted. And the Copyright Office's official policy extends the general nonregistrability of garment designs to uniforms. 56 Fed. Reg. at 56,531.

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[1] The Second Circuit's unpublished decision in *Jovani* demonstrates the circuit split as to separability and garment designs. See *Hall Street Assocs., L.L.C.* v. *Mattel, Inc.*, 552 U.S. 576, 583 n.5 (2008) (identifying an unpublished decision while discussing the existence of a circuit split).

[2] Varsity's contention that it sells the designs at issue using sublimation in addition to the traditional cut-and-sew method is legally irrelevant and belied by Varsity's representations in the district court. R.182, Pls.' Opp'n To Defs.' Objection to Varsity's Submission of Sublimated Materials 9, Pg. ID 3740 (sublimated versions of designs at issue were created for litigation and not sold).

Varsity's misunderstanding of the difference between fabric design and garment design is revealed by comparing Varsity's copyright deposits with some of the dozens of copyright deposits in *Galiano* that the Fifth Circuit recognized as unprotectable garment designs.

According to Varsity, the image at left is a "fabric design" while the image at right is a "garment design":

R.170, Joint Statement of Undisputed Facts (JSUF), Ex. C, Pg. ID 2270; *Galiano* v. *Harrah's Operating Co.*, E.D. La. No. 00-0071, R.18, Mem. in Support of Mot. for Partial Summ. J., Annex E. See App. 5a–9a (five designs at issue).

Varsity makes the same contention here:

R.170, JSUF, Ex. A, Pg. ID 2260; *Galiano* v. *Harrah's Operating Co.*, E.D. La. No. 00-0071, R.18, Mem. in Support of Mot. for Partial Summ. J., Annex E. See also R.176-5, Crosby Decl. Ex. A (depicting the uniform at right above and other designs at issue in *Galiano*).[3]

Varsity correctly characterizes the designs in *Galiano* as "the three-dimensional designs of *garments themselves*" or "garment designs." Opp'n 1. Simply comparing the *Galiano* designs to Varsity's

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[3] Varsity's uniforms also demonstrate how Varsity's designs define "the shape, style, cut, and dimensions" of the uniforms. See 1 NIMMER ON COPYRIGHT § 2.08[H], at 2-143. Both of Varsity's cheerleading-uniform designs define shape and cut of the necklines, arm holes, and hems.

designs confirms that Varsity's sketches are *also* garment designs. App. 42a. And viewing the copyright deposits side-by-side demonstrates conflict between the Fifth and Sixth Circuits' decisions on whether a design is separable. Contra App. 49a n.13 (speculating that the panel majority would have reached the same result as the Fifth Circuit if considering the casino uniforms).

The closest Varsity comes to analyzing whether its designs are fabric designs is its reference to the Second Circuit's treatment of copyright protection for leaves and squirrels on the sweaters in *Knitwaves, Inc.* v. *Lollytogs Ltd.*, 71 F.3d 996 (2d Cir. 1995). But the Second Circuit's characterization of the leaves and squirrels in *Knitwaves* as a fabric design is *dicta* because the parties did not contest whether the sweaters were protected by copyright, and the leaves and squirrels were physically and conceptually separable. 71 F.3d at 1002. The other case Varsity cites for this proposition, *Folio Impressions, Inc.* v. *Byer Cal.*, 937 F.2d 759, 762–63 (2d Cir. 1991), involves traditional designs printed on fabric, i.e., the bolt of cloth with a print on it.

Varsity's insistence that its designs are two-dimensional fabric designs also contradicts the message it sent while introducing the cheerleading-uniform designs at issue. Varsity told the marketplace that its copyrights apply to uniform designs:

> Uniform Design ©2009 Varsity Spirit Corporation. All rights reserved. The *original uniform designs* depicted in this catalog are the exclusive property of Varsity Spirit Corporation. They may not be reproduced or manufactured without written permission from Varsity Spirit Corporation.

R.176, Defs.' Resp. to Varsity's Statement of Undisputed Facts (VSUF), Ex. C 2009 Varsity Catalog (emphasis added); see *id.* at Ex. H, 2008 Varsity Catalog; *id.* at Ex. J, 1999 Varsity Catalog. And Varsity threatened litigation against competitors infringing on Varsity's "right, title and interest in and to *certain garment designs*, each of which is an original creation and constitutes copyrightable subject matter." R.169-1, Mem. in Support of Defs.' Mot. for Summ. J. Ex. 24 (emphasis added). Varsity is, after all, the nation's largest cheerleading-uniform manufacturer—not a manufacturer of two-dimensional drawings of cheerleading uniforms.

The panel majority's decision is astounding because it does what Congress and the courts have repeatedly rejected. In 1934, a district court confronted a similar argument by a garment manufacturer who wanted to use its sketch of a dress to prevent competitors from manufacturing that dress. The court explained, "[a] dress is not copyrightable. A picture of a dress is." *Jack Adelman, Inc.* v. *Sonners & Gordon*, 112 F Supp. 187, 189–90 (S.D.N.Y. 1934). And the copyright in the picture (i.e. a two-dimensional design) does not extend to the object pictured. *Ibid.* For that reason, a picture of a car cannot be used to prevent the car's manufacture.

As explained in the Petition, Congress codified the rule from *Jack Adelman* limiting the scope of copyright protection provided to pictures and sketches of useful articles. 17 U.S.C. § 113(b); see Pet. 32, 36. And after a century of attempts to legislatively overturn the rule against copyrighting garments, the Sixth Circuit has now accomplished the same end by extending the scope of Varsity's copyright protection to the three-dimensional cheerleading uniforms depicted.

Varsity declares that this case is a poor vehicle for this Court to review separability because the "hard separability cases" involve designs of three-dimensional objects. This case does involve the design of three-dimensional objects, and the proliferation of tests makes any separability analysis difficult. Here, four federal judges considered the copyrights at issue and split evenly over whether copyright protection extended to prevent Star Athletica's manufacture of the cheerleading uniforms.

"[C]opyright law with respect to garment design . . . is a mess," and this Court "must clarify" it. App. 57a (McKeague, J., dissenting). The Court's review is necessary to guide the federal courts and provide a modicum of certainty to businesses and consumers.

III. The level and scope of deference to the Copyright Office's registration decision also warrant review.

Varsity professes that the Sixth Circuit's application of *Skidmore* deference to the Copyright Office's registration decision is routine. Varsity cannot identify even one case giving deference to the decision to register a copyright. The Sixth Circuit's deference analysis is anything but routine, because it layers *Skidmore* deference into the statutory presumption of validity. App. 15a–16a, 22a. Varsity contends that the statutory presumption should not be conflated with the level of deference owed to the determinations of copyright examiners. But that is precisely what the panel majority has done. App. 22a. And for that reason, the Sixth's Circuit's deference analysis is unprecedented.

Varsity suggests that because the Copyright Office has registered many Varsity designs, the court deferred to a consistent practice. The record shows the Office registered most of these in several large groups, and Varsity leveraged those decisions to demand later registrations.[4] Pet. 13–14. Accord R.176, Defs.' Resp. to VSUF Ex. X, 01/28/09 Recons. Letter 2, 10–11. There is no evidence the Office consistently registered other cheerleading-uniform manufacturers' designs or similar garment designs. In fact, the Office's policy is *against* copyrighting garment designs, including uniform designs. 56 Fed. Reg. at 56,531.

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[4] When Varsity registered its copyrights, Compendium III was not in effect, and Compendium II does not contain a "Rule of Doubt" annotation requirement. Contra Opp'n 7–8.

Deference to a copyright examiner's separability analysis is particularly inappropriate. Unlike patent examination, the Copyright Office's examination is not in depth and does not involve examination of the actual useful article. The various separability analyses, including the design-process approach Varsity advocated below, require consideration of factors that cannot be perceived from a mere sketch or picture of a useful article. Accordingly, the appropriate "deference" is the statutory presumption. 17 U.S.C. § 410(c).

Finally, Varsity claims that the Sixth Circuit's deference to the Copyright Office's registration decision did not affect the result. But the panel majority combined deference and the statutory presumption of validity before determining whether Varsity's designs were separable. App. 22a. Varsity's belief that this had no effect, like its fabric-design argument, suggests the panel majority was prone to prolonged exegesis on *dicta*. In the panel majority's decision, the presumption of validity freighted with *Skidmore* deference and set Star Athletica's burden unduly high before the panel majority turned to the actual separability analysis. This approach has never been adopted by any other federal court and is inconsistent with express congressional intent.

IV. This case presents an ideal vehicle for review.

The Sixth Circuit's opinion overturned settled law and created significant uncertainty for the garment industry, the three-dimensional printing industry, and others. Worse, it has continued to baffle businesses and consumers about when a component of a useful article and its overall configuration can be copyrighted. Varsity says the Court should reject the Petition because the district court has not addressed whether Varsity's designs are original. But the absence of issues of originality and substantial similarity provides a clean vehicle to address the all-important test for separability.

The issue of whether an article can be protected by copyright is frequently resolved on summary judgment. *E.g.*, *Pivot Point*, 372 F.3d at 931–32; *Brandir Int'l, Inc.* v. *Cascade Pac. Lumber Co.*, 834 F.2d 1142 (2d Cir. 1987). "Very often no issues of material fact are in dispute and the only task for the court is to analyze the allegedly copyrightable item in light of applicable copyright law." *Sem-Torq, Inc.* v. *K-Mart Corp.*, 936 F.2d 851, 853 (6th Cir. 1991).

Unlike the petitions Varsity cites in its first footnote, Star Athletica's Petition (1) directly raises the issue of what separability analysis should be uniformly applied by the nation's courts; (2) arises from a decision where the federal appellate court assessed the various tests before creating its own approach; and (3) challenges a published decision that creates a circuit split on the garment-design issue. Most important, accepting the Petition gives the Court a proper vehicle to resolve an issue that has confused lower courts for decades.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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MARCH 2016